

REMARKS

Claims 1-20 are currently pending in the application. By this amendment, claims 1-8 are amended, and claims 9-20 are added for the Examiner's consideration. Support for the amendments and added claims 9-20 is provided in at least Figure 2, and at pages 4-6 of the present specification. No new matter is added. Reconsideration of the rejected claims in view of the above amendments and the following remarks is respectfully requested.

Objection to the Drawings

The Figures are objected to for failing to include reference numeral 16 as mentioned in the description. Figure 1 now includes reference numeral 16 as shown in the amended drawing of the attached replacement sheet. The attached replacement sheet also includes the Application Serial No., filing date, and inventor name. Applicants request that the objection to the drawings be withdrawn.

35 U.S.C. § 102(e) Rejection

Claims 1-3, 5-8 are rejected under 35 U.S.C. §102(e) over United States Patent No. 6,098,053 to Slater ("Slater"). This rejection is respectfully traversed.

I. The Invention

Applicants respectfully submit that the invention is directed to a system and method for performing an electronic financial transaction. An embodiment includes a method for validating an electronic payment by a credit/debit card in a transaction system. The method includes registering a purchase of at least one article by a buyer using a credit/debit card number associated with at least one PIN code at a seller terminal connected to an electronic payment center by a communication network. The embodiment also includes providing the PIN code to the electronic payment center. The embodiment further includes the electronic payment center

checks that the at least one PIN code is associated with the credit/debit card number provided by the buyer to the seller. The electronic payment center checks with a third party whether the buyer PIN code is valid.

Referring to Figure 2, an example of the invention is shown for the steps performed by an electronic payment center including receiving a card number and a PIN code from a seller and buyer, and checking the profile of such information. If the PIN code is invalid, an error message is sent to the buyer terminal. If the PIN code is valid, the electronic payment center can determine whether the amount charged to the card number is within an authorized limit. If the amount is outside the authorized limit, an error message is sent to the buyer terminal. If the amount charged to the card number is within the authorized amount, the electronic payment center next checks for a pre-validation of the PIN number.

In an embodiment, pre-validation by a third party is requested. If a pre-validation has been received from the third party, the electronic payment center validates the transaction and clears the pre-validation information. If no pre-validation has been received from the third party, the electronic payment center calls the third party and requests the authorized PIN code. If the authorized PIN code received from the third party is not valid, an error message is sent to the buyer terminal. If the authorized PIN code received from the third party is valid, the transaction is validated by the electronic payment center. These features are shown throughout the claim.

II. Slater

Slater fails to disclose all the features of the claimed invention, and thus does not provide for properly rejecting the claims of the claimed invention. Specifically, Slater is directed to a system and method for performing an electronic financial transaction utilizing checking or savings account funds authorized by use of an on-line ATM/POS transaction. Accordingly, the transaction of Slater is processed like a typical ATM or merchant POS on-line ATM/POS transaction, and the PIN code is not checked for a second time by a third party to see if it is valid.

Referring to Figure 2A of Slater, a purchaser accesses a merchant website in step 110, and provides card and security information plus additional purchaser information to form purchaser payment instructions in steps 116 and 118. Purchaser payment instructions are forwarded to the merchant in step 120. Referring to Figure 2B, the purchaser payment instructions are appended with merchant payment instructions to form financial transaction instructions, in step 122, which are then forwarded to a financial institution in step 124. The financial institution reformats the financial transaction instructions into a transaction request for an on-line ATM/POS transaction in step 128, and forwards such information to the purchaser's bank. The purchaser's bank then decrypts the transaction request, and either approves or disapproves the request in step 130. However, there is no third party validation process.

Referring to Figure 2C, the purchaser's bank sends a response message to the financial institution in step 132, and the financial institution forwards the authorization message to the merchant in step 134. Finally, merchant fulfills or rejects the on-line order based on the authorization message in step 138 which originated at the bank. The figure fails to show a third party validation step.

Referring to Figures 4A – 4C, a similar process as that shown in Figures 2A – 2C is shown utilizing email for performing the on-line ATM/POS transaction. In particular, applicants note that Figure 4B shows the financial institution reformatting the financial transaction instructions into an on-line ATM/POS transaction in step 228 and forwarding such information to the purchaser's bank which approves or disapproves of the request in step 230. In Figure 4C, the bank's response is sent to the merchant in steps 232 – 238. However, Figures 4A-4C fail to show a third party validation process.

As noted above, the Slater system and method provides for transmitting an on-line transaction request to a bank for authorization using an ATM/POS network. Thus, the Slater system and method allows for verification of the transaction request by only a single party, i.e. the bank, and does not show a second validation process by a third party. Consequently, Slater fails to disclose a method for validating an electronic payment including (i) checking by an

electronic payment center that at least one PIN code, e.g. transaction information, is associated with a credit/debit card number and (ii) checking with a third party whether the PIN code is valid, as set forth in independent claim 1.

Consequently claim 1 remains in allowable condition. Claims 2 – 3 and 5 – 8 are allowable for at least the reasons set forth above with respect to independent claim 1, from which they depend, as well as for their added features. For example, claim 6 sets forth checking by the electronic payment center whether there is a prevalidation of the purchase. This feature is not shown by Slater.

Applicants respectfully request that the rejection of claims 1 – 3 and 5 – 8 be withdrawn.

35 U.S.C. §103 Rejection

Claim 4 is rejected under 35 U.S.C. §103 (a) over Slater in view of U.S. Patent No. 5,963,926 to Kumomura (“Kumomura”). This rejection is respectfully traversed.

Slater was cited for disclosing validating an electronic payment as applied against claim 1. It was noted, however, in the Office Action that Slater does not expressly disclose the payment center checking and profile tables whether a PIN code is associated with a number of a credit/debit card. The Examiner then cites Kumomura for disclosing that an electronic payment center checks in a profile table whether a PIN code is associated with a number of a credit/debit card. But, Kumomura fails to cure the deficiencies of Slater discussed above with respect to independent claim 1. That is, Kumomura does not teach or suggest a third party verification process.

Thus, claim 1 remains allowable over the combination of Slater and Kumomura. Consequently, claim 4 is allowable over the combination of Slater and Kumomura for the reasons set forth with respect to independent claim 1, from which it depends, as well as for its added features.

Applicants respectfully request that the rejection of claim 4 be withdrawn.

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--13--

New Claims

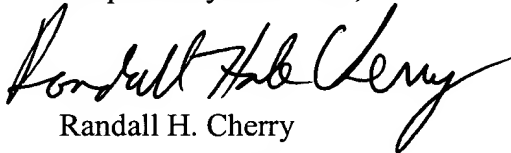
By this amendment, new claims 9-20 are added. New independent claim 9 sets forth, in part, a method for validating an electronic payment, and in particular sets forth performing a second verification by a third party. New independent claim 16 sets forth, in part, a validation and pre-validation process in order to authorize a transaction.

Consequently, new independent claims 9 and 16 are in allowable condition. Claims 10 – 15, and 17 – 20 are allowable at least for the reasons set forth above with respect to independent claims 9 and 16, from which they depend, as well as for their added features. Prompt examination and allowance in due course of new claims 9-20 are respectfully requested.

CONCLUSION

In view of the foregoing amendments and remarks, Applicants submit that all of the claims are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue. The Examiner is invited to contact the undersigned at the telephone number listed below, if needed. Applicants hereby make a written conditional petition for extension of time, if required. Please charge any deficiencies in fees and credit any overpayment of fees to Deposit Account No. 09-0457.

Respectfully submitted,



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--14--

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